

## NATO's Defence Spending Push Creates New Challenges for Balkan Nations

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**Brussels – July 1, 2025** – NATO's renewed demand for higher defence spending is putting financial pressure on smaller Balkan countries, as they work to balance military commitments with domestic needs.

At the alliance's recent summit in Brussels, NATO Secretary-General Jens Stoltenberg again called on all member states to meet the minimum target of 2% of GDP on defence spending. While larger economies like the U.S., Poland, and the UK are already meeting or exceeding this level, several Balkan countries are still below the target.

Countries like North Macedonia, Montenegro, and Albania are now facing a difficult task. Many are still recovering from economic slowdowns and are focused on improving healthcare, education, and infrastructure. Increasing defence budgets adds extra pressure to already tight national finances.

“We support NATO’s goals, but we also need to take care of our people,” said Ana Petrovic, a defence analyst based in Belgrade. “Finding the right balance is not easy for smaller economies.”

North Macedonia, for example, currently spends around 1.6% of GDP on defence. Raising that number to 2% would require shifting funding from other areas or seeking new sources of income both of which are politically sensitive.

At the same time, regional security concerns remain high. Ongoing tensions between Kosovo and Serbia, and concerns about Russian influence in the region, have reminded Balkan leaders of the importance of a strong defence system. For many, NATO membership provides not just security, but also political and economic stability.

To help meet NATO’s expectations without overstretching their budgets, Balkan countries are looking at cost-effective solutions. These include joint military training, shared equipment purchases, and greater focus on cybersecurity and intelligence gathering, which require less spending but still strengthen national security.

“Modern defence is not just about buying tanks,” said Alban Krasniqi, a policy advisor in Kosovo. “It’s about smarter, faster responses and regional cooperation.”

While NATO is unlikely to lower its spending targets, some flexibility such as gradual timelines or broader definitions of defence contributions may be considered to support smaller members.

As global threats grow and defence strategies evolve, Balkan countries are under increasing pressure to invest more in their militaries all while managing the realities of limited resources and public demand for social progress.